

FISCAL NOTE
Division of Services for the Blind – Technical Changes

Agency: DHHS Services for the Blind

Rule Citation: 10 NCAC 63F .0402 Economic Needs Policies

Agency Contact: Mary Flanagan
Assistant Director
919-733-9822

Impact Summary:

State government:	Yes
Local government:	No
Federal government:	No
Substantial economic impact:	No

Authority: G.S. 143B-157

Rule Summary

This rule sets forth the services provided by the NC Division of Services for the Blind that are subject to economic needs test and those that are provided regardless of economic need. This proposed rule change would remove for consumers who have an Individualized Plan for Employment (IPE) the following services from the requirement of an economic need test: purchase of books and other training materials required for post-secondary training; and rehabilitation technology including telecommunications, sensory aids, and other technological aids and devices. See Appendix A for proposed rule text.

Background

In the past five years there has been a tremendous increase in the types of technology developed for individuals who are visually impaired, blind, or deaf/blind. Some of the various types of technology include: speech software or screen enlargement for computers, optical character readers, braille note-takers, refreshable braille display, accessible MP3 player, and many more. Technology of this nature is making it possible for individuals with vision loss to enter into a wider array of career fields. There are other devices such as Closed Circuit Television, CCTV, magnifiers, assistive listening devices, etc., that also allow an individual with vision loss or who is deaf/blind to live more independently. These devices, as well as technology can be expensive to obtain.

The NC Division of Services for the Blind serves individuals who are visually impaired, blind, or deaf/blind. Through the Vocational Rehabilitation Program, the Division assists individuals to find, maintain, or regain employment. The Division has Vocational Rehabilitation Counselors who serve these individuals in all counties of the state through the development of an Individualized Plan for Employment (IPE). This plan sets forth the services to be provided and purchases to be made by the Division in preparing the individual to achieve their chosen employment goal. Prior to November 2009, an economic needs form was completed by the Counselor that documented the individual's income, assets, and expenses. If an individual was found to meet the eligibility criteria, which is 125% of Federal Poverty Level or below, then the Division would purchase any technology or assistive technology devices, as well as cover the cost for books and supplies for college or other

employment training. If an individual did not meet the allowable income level, then it was up to the individual to cover the cost for these expenses. In some cases, individuals could obtain an educational grant or scholarship that would pay for their books and other needed supplies for college but there are no other financial options to pay for the cost of their technology or low vision devices.

Requests have been made of the Division, by advocacy organizations, to consider this rule change. In 2009 the Division chose to make this temporary rule change and use ARRA funds to pay for the expenditures. Based on the small increase in expenditures with the implementation of the temporary rule change and the increase in successful employment outcomes, the Division is taking the steps to make this amendment a permanent rule change. This proposed rule change was approved by the Commission for the Blind at their meeting in June of 2011.

Impact

This rule change is intended to assist individuals who are visually impaired, blind or deaf/blind and who choose to find, regain, or maintain employment. Historically, individuals with visual impairments have a high rate of unemployment due to the significant barriers that must be overcome. One of these barriers is not having the financial means to pay for books and supplies for college or other employment related training, as well as the technology and low vision devices they need. By removing the economic need test more individuals who are visually impaired, blind, or deaf-blind will have the opportunity to complete college or other training and obtain technology and/or low vision devices they need, which will increase the likelihood for employment with substantial wages or to maintain existing employment. During FFY 2009 of all individuals who received services and had their case closed, 64.5% were closed successfully, which means they were employed for at least ninety days. During FFY 2010, that percentage increased to 66%. See Table 1 below for the number of individuals who successfully obtained employment for FFY 2009, 2010, and 2011, as well as the average hourly wage at the time they were hired. The decrease in the number of individuals successfully employed from 2010 to 2011 is the result of limited job availability due to the economy.

Table 1. Individuals Successfully Employed, 2009-11

Year	Total Number of Individuals Successfully Employed	Average Hourly Wage
2009	528	\$11.25
2010	592	\$11.13
2011	562	\$11.68

Costs and Benefits

In November 2009, a temporary rule change went into effect allowing the purchase of books, supplies, and assistive technology regardless of economic income. Table 2 below shows the total cost of the program for FFY 2009, 2010, and 2011. (Appendix B provides a breakdown of the types of assistive technology that was purchased.) The figure for FFY2009 is representative of total cost prior to the temporary rule change. The figure for 2010 represents the expenditures that were incurred prior to the temporary rule change, which was one month, plus the expenditures for the remaining eleven months under the rule change. Funds to be used for these expenditures will be from the Federal Vocational Rehabilitation Grant. These federal funds require a state match of 21.3 percent. The difference in total expenditures from FFY 2009 to 2010 is, \$228,073.11 and the 21.3% state match is, \$48,579.57. The difference in total expenditures between FFY 2009 and 2011 is, \$136,090.07 and the 21.3% state match is, \$28,987.18. This rule change will not impact the Federal Vocational Rehabilitation Grant. The increase in state funds will allow DSB to draw down available funds from the grant.

Table 2. Program Expenditures FY2009-FY2011

Fiscal Year	#of Individuals Employed*	Total Expenditures	Matching State Funds
2009	528	\$440,512.95	\$ 93,829.25
2010	592	\$668,586.06	\$142,408.83
2011	562	\$576,603.82	\$122,816.61

* These numbers reflect only a portion of the total program participants.

Based on the data since the temporary rule has been in place, the average amount of total expenditure for each individual achieving a successful employment outcome was \$1,078. Due to the poor economy and the limited job growth, we anticipate a slow increase over the next three years in the number of individuals achieving an employment outcome or the amount of expenditures for assistive technology, as well as books and supplies. We are projecting a 2% annual increase in employed individuals starting in FFY 2013. Table 3 shows the projections for 2012, 2013, and 2014 in the number of individuals achieving successful employment outcomes, anticipated total expenditures, and the state match. The projected total amount of expenditures is based on the average cost of \$1,078 per individual.

Table 3. Projected Program Expenditures

Fiscal Year	Projected # of Individuals Employed	Projected Total Expenditures	Projected Matching State Funds
2012	562	\$605,836	\$129,043
2013	573	\$617,694	\$131,569
2014	584	\$629,552	\$134,095

* These numbers reflect only a portion of the total program participants.

Table 4 presents the change in total expenditures and change in expenditure incurred by the state due to the rule change, as well as the increase in estimated total wages earned by beneficiaries of the program. The costs are computed relative to total expenditures of about \$440,500 before the rule (see FFY2009 level). The benefit estimates are conservative, assuming the minimum employment length of 90 days (or 520 hours). Also, the benefits are based on assuming a participation without the rule of about 530 individuals (see FFY2009 participation level) and an average hourly rate of \$11.35 (based on wage rates shown in Table 1). Based on the numbers in Table 4, the costs and benefits in any year would not exceed \$500,000, so the rule change is not substantial.

Table 4. Projected Costs and Benefits Due to Rule Change

Fiscal Year	Projected Increase in Individuals Employed*	Projected Increase in Total Expenditures	Projected Increase in Federal Funds	Projected Increase in Matching State Funds	Projected Increase in Annual Income of Individuals
2012	32	\$34,496	\$27,148	\$7,348	\$188,919
2013	43	\$46,354	\$36,481	\$9,873	\$253,861
2014	54	\$58,212	\$45,813	\$12,399	\$318,802

* These numbers reflect only a portion of the total program participants.

Appendix A

TITLE – HEALTH AND HUMAN SERVICES

CHAPTER 63 – SERVICES FOR THE BLIND

SUBCHAPTER F – ECONOMIC NEEDS POLICIES

10A NCAC 63F .0402 ECONOMIC NEEDS POLICIES

(a) The Division of Services for the Blind shall establish economic need for each eligible consumer either simultaneously with or prior to the provision of those services for which the Division requires a needs test. The financial need of a consumer shall be determined by the financial needs test specified in Rule .0403 of this Section. If the consumer has been determined eligible for Social Security benefits under Title II or XVI of the Social Security Act, the Division of Services for the Blind shall not apply a financial needs tests or require the financial participation of the consumer. A financial needs test shall be applied for all consumers determined eligible to receive services through the Independent Living Rehabilitation Program regardless of SSA Title II or Title XVI eligibility.

(b) The Division of Services for the Blind shall furnish the following services not conditioned on economic need:

- (1) an assessment for determining eligibility and priority for services except those non-assessed services that are provided during an exploration of the applicant's abilities, capabilities, and capacity to perform in work situations through the use of trial work experiences or an extended evaluation and an assessment by personnel skilled in rehabilitation technology;
- (2) assessment for determining rehabilitation needs by a qualified vocational rehabilitation counselor;
- (3) vocational rehabilitation counseling and guidance, including information and support services to assist an applicant or consumer in exercising informed choice;
- (4) tuition and supplies for Community Rehabilitation Program training;
- (5) tuition and fees for:
 - (A) community college/college parallel and vocational programs up to the catalog rate; and
 - (B) post-secondary education up to the maximum rate charged for the North Carolina public university system.

The Division shall require eligible consumers applying for training programs listed in Parts (b)(5)(A) and (B) of this Rule to first apply for all available grants and financial aid. The Division may grant an exception to the rate for tuition and required fees for post-secondary education specified in Part (b)(5)(B) of this Rule when necessary to accommodate the special training needs of severely disabled individuals who must be enrolled in special programs designed for severely physically disabled students;

- (6) interpreter services including sign language and oral interpreter services for applicants or consumers who are deaf or hard of hearing and tactile interpreting services for applicants or consumers who are deaf-blind;
- (7) reader services, rehabilitation teaching services, and orientation and mobility services;

- (8) job-related services, including job search, job placement employment assistance and job retention services;
- (9) DSB Rehabilitation Center or fundamental independent living rehabilitation adjustment services including transportation and training supplies contingent on a consumer's participation in the program;
- (10) diagnostic transportation;
- (11) on-the-job training;
- (12) training and associated maintenance and transportation costs for Business Enterprises Program trainees;
- (13) upward mobility training and associated maintenance and transportation costs for Business Enterprises Program trainees;
- (14) equipment and initial stocks and supplies for state-owned (Randolph-Sheppard) vending stands;
- (15) Supported Employment Services;
- (16) personal assistance services provided while a consumer with a disability is receiving vocational rehabilitation services;
- (17) referral and other services designed to assist applicants or consumers with disabilities in securing needed services from other agencies through agreements developed under Section 101(a)(11) of the Act (P.L. 102-569), if such services are not available under this Act and to advise those individuals about client assistance programs established under the Act;
- (18) transition services for students with disabilities that facilitate the achievement of the employment outcome identified in the student's individualized plan for employment except for those services based on economic need; and
- (19) technical assistance and other consultation services to consumers who are pursuing self-employment or telecommuting or establishing a business operation as an employment outcome.

(c) The following services shall be provided by the Division of Services for the Blind and conditioned on economic need:

- (1) physical and mental restoration services (medical services other than diagnostic);
- (2) maintenance for additional costs incurred while participating in rehabilitation;
- (3) transportation in connection with the rendering of any vocational rehabilitation service except where necessary in connection with determination of eligibility or nature and scope of services;
- (4) services to members of a disabled consumer's family necessary to the adjustment or rehabilitation of the consumer with a disability;
 - (5) post-employment services necessary to assist consumers with visual disabilities to maintain, regain or advance in employment except for those services not conditioned on economic need listed in Paragraph (b) of this Rule;
- (6) fees necessary to obtain occupational licenses;
- (7) tools, equipment, and initial stocks and supplies for items listed in Subparagraphs (1) through (7) of this Paragraph; and

- (8) expenditures for short periods not to exceed 30 days of medical care for acute conditions arising during the course of vocational rehabilitation, which if not cared for, will constitute a hazard to the achievement of the vocational rehabilitation objective;
- (9) other goods and services not prohibited by the Act (P.L. 102-569), which can reasonably be expected to benefit an individual with a disability in terms of his employability or independent living skill development.

(d) Notwithstanding Paragraph (c) of this Rule, the following services are not subject to economic need for individuals being served through the Vocational Rehabilitation Program:

- (1) books and other training materials required for post secondary training; and
- (2) rehabilitation technology including telecommunications, sensory aids, and other technological aids and devices for consumers who have an Individualized Plan for Employment (IPE), who are working toward an employment goal that requires specified technology to attain, regain, or maintain employment and who have the capability to use the equipment.

~~(d)~~(e) The Division of Services for the Blind shall publish the standard as determined by the Legislature for measuring the financial need of consumers with respect to normal living requirements and for determining their financial ability to meet the cost of necessary rehabilitation services, and for determining the amount of agency supplementation required to procure the necessary services.

*History Note: Authority G.S. 111-28; 34 C.F.R. 361.48; 34 C.F.R. 361.5; 34 C.F.R. 361.52; 34 C.F.R. 361.54; P.L. 102-569, Section 103; S.L. 2009-475;
Eff. February 1, 1976;
Amended Eff. August 1, 1976;
Readopted Eff. November 16, 1977;
Amended Eff. January 1, 1996; June 1, 1993; October 1, 1990; April 1, 1990;
Temporary Amendment Eff. August 1, 2001;
Amended Eff. August 1, 2002;
Emergency Amendment Eff. September 23, 2009;
Temporary Amendment Eff. November 16, 2009 to expire on June 30, 2012 (See G.s.150B-21.1B).*

Appendix B

Table A1. Detailed Program Expenditures

SERVICE	FFY09	FFY10	FFY11
Low Vision Aids	31,269.31	27,044.28	24,207.52
Assistive and other Technology	29,247.06	20,169.46	29,257.95
CCTVs	35,211.11	33,374.00	31,967.50
Books, Supplies, Curriculum-related Supplies	80,015.42	71,713.11	87,671.31
Training Equipment	177,814.91	421,450.06	319,128.09
Assistive and other Technology for Job Placement	86,955.14	94,835.15	84,371.45
TOTAL:	\$440,512.95	\$668,586.06	\$576,603.82